



Patrick W. Henning, Director  
April 4, 2008  
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Arnold Schwarzenegger  
Governor

Ms. Jacqueline Debets, Executive Director  
Humboldt County Workforce Investment Board  
520 E Street  
Eureka, CA 95501

Dear Ms. Debets:

**WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2007-08**

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the Humboldt County Workforce Investment Board's (HCWIB) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Mr. David Hinojosa from November 26, 2007, through November 30, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by HCWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with HCWIB representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, HCWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on March 7, 2008, and reviewed your comments and documentation before finalizing this report. Because your response

adequately addressed findings 1, 2, and 3 cited in the draft report, no further action is required at this time. However, these issues will remain open until we verify your implementation of your stated corrective action plan (CAP) during a future onsite review. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 80073, 80074, and 80075.

## **BACKGROUND**

The HCWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, HCWIB was allocated: \$409,474 to serve 117 adult participants; \$434,299 to serve 130 youth participants; and \$310,834 to serve 73 dislocated worker participants.

For the quarter ending September 30, 2007, HCWIB reported the following expenditures for its WIA programs: \$27,718 for adult participants; \$70,218 for youth participants from Subgrant R760322; and \$14,006 for dislocated worker participants. In addition, HCWIB reported the following enrollments: 68 adult participants; 65 youth participants; and 40 dislocated worker participants. We reviewed case files for 30 of the 173 participants enrolled in the WIA program as of November 26, 2007.

## **PROGRAM REVIEW RESULTS**

While we concluded that, overall, HCWIB is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Job Training Automation (JTA) reporting, equal opportunity (EO) information, and complaint and grievance information. The findings that we identified in these areas, our recommendations, and HCWIB's proposed resolution of the findings are specified below.

### **FINDING 1**

**Requirement:** WIA Section 185(c)(2) states, in part, that each local board and each recipient receiving funds shall maintain comparable management information systems designed to facilitate the uniform compilation and analysis of programmatic, participant, and financial data necessary for monitoring and evaluating purposes. In addition, WIA Section 185(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which

participants are enrolled, and the length of time that participants are engaged in such programs and activities.

20 CFR Section 667.300(b)(1) states, in part, that a state or other direct grant recipient may impose different forms or shorter formats, shorter due dates, and more frequent reporting requirements on subrecipients.

WIAD04-17 states, in part, that all recipients of WIA funds will submit client data via the JTA system, complying with the specifications for each data field. Additionally, this directive defines activity codes for the different types of services provided to participants.

**Observation:** We found that 15 of 30 participant case files reviewed contained Individual Employment Plan (IEP) activity that was not reported on the JTA system. In addition, we found 11 participant case files that contained supportive service activity not reported on the JTA system.

**Recommendation:** We recommended that HCWIB review its active participant case files to determine those participants receiving IEP activity or supportive service activity, and provide the Compliance Review Division (CRD) with documentation that these activities are reported to the JTA system.

**HCWIB Response:** The HCWIB stated that a review of all files for active WIA 85-Percent grant participants was conducted and IEP and/or supportive services coding for each active participant, as needed, was added to the JTA system. The HCWIB provided documentation showing that JTA coding was completed for affected participants and further stated that staff will enter IEP and supportive services into the JTA system in the future.

**State Conclusion:** The HCWIB's stated corrective action should be sufficient to resolve this issue and no further corrective action is required. However, we cannot close this issue until we verify, during a future onsite visit, HCWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80073.

## **FINDING 2**

**Requirement:** 20 CFR Section 667.275(a)(1) states, in part, that recipients, as defined in 29 CFR Section 37.4, must comply with the nondiscrimination/EO provisions of WIA Section 188 and its implementing regulations codified at 29 CFR Section 37.

29 CFR 37.29(a)(2) states, in part, that a recipient must provide initial and continuing notice that it does not discriminate on any prohibited ground. This notice must be provided to participants.

WIAD01-21 states, in part, that initial and continuing notice of nondiscriminatory practices and the right to file a complaint must be included in each participant's file.

**Observation:** We observed that all 30 participant case files reviewed did not contain the nondiscrimination and EO policies and procedures in the case files. Although each case file contained the participant's signed acknowledgement of rights to file a nondiscrimination/EO complaint, staff were unaware that a copy should be kept in each case file.

**Recommendation:** We recommended that HCWIB provide CRD with a CAP to ensure that all participant case files contain a copy of the initial and continuing notice of nondiscriminatory practices and the right to file a complaint. In addition, we recommended that HCWIB provide CRD with documentation to substantiate that a copy of this information is placed in each participant case file.

**HCWIB Response:** The HCWIB stated that they conducted a case file review of active participants during the week of February 25, 2008 and found that each active participant case file had a copy of the nondiscrimination/EO complaint information. In addition, HCWIB provided a copy of its updated nondiscrimination EO procedures containing the requirement to place a copy of the nondiscrimination and EO information and the signed acknowledgement of receipt of this information in each participant case file.

**State Conclusion:** The HCWIB's stated corrective action should be sufficient to resolve this issue and no further corrective action is required. However, we cannot close this issue until we verify, during a future onsite visit, HCWIB's successful implementation of its

stated corrective action. Until then, this issue remains open and has been assigned CATS number 80074.

### **FINDING 3**

**Requirement:** 20 CFR 667.600(b) states, in part, that each subrecipient must provide information about the content of the grievance and complaint procedures required by WIA to participants and other interested parties affected by the local Workforce Investment System, including One-Stop partners and service providers. In addition, it requires that every WIA entity must provide grievance and complaint procedures to participants receiving WIA services.

Directive WIAD03-12 states, in part, that initial and continuing notice of the local grievance and complaint procedures and instructions on how to file a complaint must be made available to each participant and included in each participant's file. A copy of an acknowledgment of receipt shall be signed by the participant.

**Observation:** We observed that all 30 participant case files reviewed did not contain the initial and continuing notice of the local grievance and complaint procedures and instructions on how to file a complaint in the case files. Although each case file contained the participant's signed acknowledgement of rights to file a grievance or complaint, staff were unaware that a copy should be kept in each case file.

**Recommendation:** We recommended that HCWIB provide CRD with a CAP to ensure that all participant case files contain a copy of the initial and continuing notice of the local grievance and complaint procedures and instructions on how to file a complaint. In addition, we recommended that HCWIB provide CRD with documentation to substantiate that a copy of this previously provided information is placed in each participant case file.

**HCWIB Response:** The HCWIB stated that they conducted a case file review of active participants during the week of February 25, 2008 and found that each active participant case file had copies of grievance and complaint information. In addition, HCWIB provided a copy of its updated grievance and complaint procedures containing the requirement to place a copy of the grievance and complaint information and the signed

acknowledgement of receipt of this information in each participant case file.

**State Conclusion:** The HCWIB's stated corrective action should be sufficient to resolve this issue and no further corrective action is required. However, we cannot close this issue until we verify, during a future onsite visit, HCWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80075.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is HCWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain HCWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. David Hinojosa at (916) 653-4322.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", with a stylized, flowing script.

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Division

cc: Linda Beattie, MIC 50  
Shelly Green, MIC 45  
Jose Luis Marquez, MIC 50  
Don Migge, MIC 50